

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0370-01
Bill No.: HB 77
Subject: Employees - Employers; Labor and Management
Type: Original
Date: February 4, 2013

Bill Summary: This proposal prohibits employers from requiring employees to engage in or cease engaging in certain labor practices as a condition or continuation of employment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$7,100,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$7,100,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration - Division of Personnel** assume they are responsible for maintaining the State's twelve labor contracts as well as assisting agencies with union contract negotiations, union-related activities, and other union-related inquiries. This includes ensuring agencies are complying with 105.510 RSMo. There is nothing in this proposal that would cause a shift or change in the current operations or affect the agency in regard to how it handles the various labor organization processes and issues.

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **City of Kansas City** assume potential costs are unlikely. The City is already a mix of union and non-union and the chance the City would violate the proposal is unlikely.

Officials at the **City of Columbia, Department of Conservation, Department of Labor and Industrial Relations, Francis Howell School District, Johnson County, Linn State Technical College, Metropolitan Community College, Missouri Department of Transportation, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Office of Prosecution Services, Office of the State Public Defender, Parkway School District, Special School District, St. Louis County, University of Central Missouri** and the **University of Missouri** each assume no fiscal impact to their organization from this proposal.

Officials at the **Office of the Secretary of State (SOS)** assume this proposal calls for a special election to take place on the first Tuesday following the first Monday in November 2013. Based on the 2012 Presidential Preference Primary this would cost the state \$7,100,000 to hold the election.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for

ASSUMPTION (continued)

this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). Therefore, the SOS assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Transfer Out</u> - Secretary of State - reimbursement of election expenses	<u>(\$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL ELECTION AUTHORITY FUNDS			
<u>Transfer In</u> - from Secretary of State for election expenses	\$7,100,000	\$0	\$0
<u>Cost</u> - Local Election Authority election expenses	<u>(\$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITY FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill specifies that no person as a condition or continuation of employment can be required to:

- (1) Become or refrain from becoming a member of a labor organization as defined in the bill;
- (2) Pay dues, fees, assessments, or other charges to a labor organization; or
- (3) Pay to any charity or third party any equivalent amount in lieu of dues, fees, assessments, or other charges required of a member of a labor organization.

Any agreement, understanding, or practice between a labor organization and an employer that violates the rights of employees as guaranteed under these provisions will be unlawful, null and void, and of no legal effect.

Anyone violating a provision of the bill will be guilty of a class C misdemeanor, and any person injured as a result of a violation of a provision of the bill may recover all resulting damages, including costs and attorney fees, and will be entitled to injunctive relief against any violator or person threatening a violation.

The bill contains a referendum clause and will be submitted to qualified voters in November 2013.

JH:LR:OD

FISCAL DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Columbia
City of Kansas City
Department of Conservation
Department of Labor and Industrial Relations
Francis Howell School District
Johnson County
Linn State Technical College
Metropolitan Community College
Missouri Department of Transportation
Missouri Southern State University
Missouri State University
Missouri Western State University
Northwest Missouri State University
Office of Administration
 Division of Personnel
Office of Attorney General
Office of the Secretary of State
Office of Prosecution Services
Office of the State Public Defender
Parkway School District
Special School District
St. Louis County
University of Central Missouri
University of Missouri



Ross Strope

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Acting Director
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